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INFO RUEHKK/ARAB ISRAELI COLLECTIVE
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C O N F I D E N T I A L CAIRO 002933

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LONDON AND TUNIS PLEASE PASS TO THE DEPUTY SECRETARY

E.O. 12958: DECL: 05/14/2016

TAGS: [PGOV](#) [PREL](#) [KDEM](#) [EG](#)

SUBJECT: SCENESETTER FOR DEPUTY SECRETARY ZOELICK'S VISIT TO EGYPT

Classified by DCM Stuart Jones for reasons 1.4 (b) and (d).

Summary and Introduction

1. (C) We look forward to welcoming you to Sharm El Sheikh. You come at a tense time for Egypt. The Mubarak regime has come under criticism f
2. (C) On the bilateral track, your confirmed senior GOE interlocutor will be Prime Minister Nazif, and we have a request in to see Mubarak.
may complain about USG/Congressional political conditioning of economic and miliary aid and the FTA. Your appearance with Arab League SYG Mous

2006: Stepping Backward (and Forward)

3. (C) This spring has seen ample evidence that the regime's domestic house is not in order. Whatever this says about backsliding or latent r

-- Judicial disciplinary action against two senior judges who
charged fraud in the parliamentary polls;

-- Suppression of activists and demonstrators supporting the
judges, particularly on, but not limited to, May 11;

-- State-influenced media attacks on reform advocates;

-- Extension of the Emergency Law for two more years;

-- Postponement by two years of local council elections;

-- Continuing arrests and harassment of opposition activists;

and

-- The conviction of opposition leader Ayman Nour.

4. (C) At the same time, Gamal Mubarak, PM Nazif and other reformers insist the GOE is on track for substantive political reform. They tell u
judicial autonomy) an issue at the heart of the judges' dispute. It is not clear that either measure will satisfy the press syndicate or the

5. (C) More significantly, the GOE is working on a package of up to 20 constitutional amendments, to be ratified by mid-2007, and then submitt

Succession: The Lurking Issue

6. (C) Mubarak's current (and presumably final) six year term will end in 2011, but many observers expect the transition sooner. The public f
only often-named alternative -- and the existing legal framework clearly favors his candidacy. It is not yet clear that the Egyptian military
principle.

Economic Reform: Pushing Up a Steeper Hill

7. (C) Nazif's economic team has made significant progress on economic reform, but now the hard work begins. The banking sector remains burde
investors. The government does not yet seem prepared to reduce subsidies significantly or accept the job losses inevitable from the sale or cl
hoped would drive the next stage of reform.

8. (C) Mubarak has apparently instructed his ministers not to raise the issue of military and economic assistance with USG counterparts. He r
standing firm. But our message has been that we need something positive to take to Congress.

Darfur

9. (C) Mubarak has issued a positive statement on the agreement on Darfur and hinted at Egypt,s support for its full implementation and for a
but it may be more forthcoming should we ask for peacekeepers in real numbers, after the UN assessment process. Mubarak also has genuine influ

Israel-Palestine

10. (C) The Egyptians want to see Hamas fail, but in the meantime, want to avoid heightened extremism in Gaza and the
West Bank. They would like to see Fatah's Palestinian civil servants paid and are contributing directly to efforts to provide humanitarian ass

WEF Appearance with Moussa

11. (C) Your appearance at the WEF with Arab League SYG Amre
Moussa will provide an excellent venue to challenge the view that the USG is easing the pressure on Egypt for democratic reform. Moussa will c